

# Unaffected Influence: The Foreign Agent Law's Impact on Media Citation Rates

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## Abstract

*This paper aims to investigate the effect of the Foreign Agent Law on the citation rates of various media outlets. Using a Difference in Differences (DiD) approach, we hypothesize that the law's introduction would not lead to a decrease in citation rates of affected media. In line with our expectations, the findings from our analysis support this hypothesis. The sustained levels of citation rates post-legislation indicate that the law might not have the anticipated suppressive effect, or other factors are compensating for any potential decline, maintaining the overall citation dynamics.*

## 1 Introduction

The "Foreign Agent" laws are among the most criticized in modern Russia. Unfortunately, it is not possible to provide relevant citations due to the constraints of Russian legislation. Let's present the official state definition: "A foreign agent is an individual or legal entity that directly or indirectly engages in political and financial activities in the interests of a foreign state" [1]. "Drawing an analogy with the USA, the concept of a foreign agent concerning NGOs involved in political activities in Russia and funded from foreign sources was introduced into Russian legislation in 2012" [1]. This comparison with U.S. legislation has been heavily criticized; however, once again, references to such statements lead to resources of "foreign agents" and "undesirable organizations". "On July 20, 2012, Russian President Vladimir Putin signed the federal law 'On introducing amendments to certain legislative acts of the Russian Federation in terms of regulating the activities of non-profit organizations acting as a foreign agent'. The document came into effect on November 20, 2012, 120 days after its official publication. The document stipulates that a Russian NGO (excluding a political party) is recognized as a foreign agent if it receives funds and (or) property from other countries, international and foreign organizations, foreign citizens, and simultaneously engages in political activities in Russia, representing foreign interests" [1, 2]. The official discourse always emphasizes that the law supposedly "does not prohibit the activities of NGO foreign agents but requires them to register in a special registry maintained by the Ministry of Justice of the Russian Federation" [1]. In reality, these declarations, as anticipated, do not align with actual experiences. For instance, the "Dynasty" foundation of Russian businessman Dmitry Zimin, involved in educational activities, was declared a "foreign agent" and consequently shut down [3].

On November 25, 2017, Russia adopted a law concerning media entities acting as foreign agents, shortly after the U.S. Department of Justice demanded that RT America, a subsidiary of a Russian broadcasting company, register as a foreign agent within the United States" [1, 4]. "The law stipulated that mass media entities serving as foreign agents in Russia are legal entities registered abroad or foreign structures without legal entity status that disseminate

printed, audiovisual, and other materials and are funded from foreign sources. As of February 1, 2019, such media entities were mandated to disseminate information only through their established Russian legal entities, also deemed as acting in the capacity of foreign agents. All information materials from such media entities and their legal bodies must be accompanied by a note indicating that they are produced or disseminated by a foreign agent” [1]. ”On December 2, 2019, amendments were introduced to Russian legislation, for the first time establishing the possibility of conferring the foreign agent status to both individuals and legal entities if they disseminate or are involved in creating information for media-foreign agents and are funded in any form from abroad” [1, 5]. ”According to amendments made on December 30, 2020, unregistered public associations (NPOs) involved in political activities and receiving foreign funding for it, as well as specific individuals, were recognized as foreign agents” [1, 6].

Finally, as of December 1, 2022, the federal law titled ”On the Control of Activities of Persons Under Foreign Influence” (signed by the President of the Russian Federation on July 14, 2022) came into effect, consolidating scattered legal norms about foreign agents. The document established a conceptual framework for the institute of foreign agents, introduced a procedure for maintaining a unified registry of foreign agents and their inclusion therein, and also fixed elements of the foreign agent status. According to the law, a foreign agent is defined as a person who has received support and (or) is under foreign influence in various forms, engaged in targeted information gathering in the field of military and military-technical activities of the RF, etc. The registry of foreign agents may include a Russian or foreign legal entity regardless of its legal form, public associations operating without forming a legal entity, other associations of persons, foreign structures without forming a legal entity, and an individual regardless of their citizenship or lack thereof. The law also provides for a procedure to maintain a registry of individuals affiliated with foreign agents. However, Russian public authorities, political parties, state corporations, and religious associations cannot be recognized as foreign agents. Similarly, employer associations and chambers of commerce registered in the prescribed manner cannot be deemed foreign agents. The list of foreign sources has been clarified. They include foreign states and their public authorities, international and foreign organizations, foreign citizens, stateless persons, and also foreign sources without forming a legal entity. Russian citizens and legal entities receiving funds from such persons and their representatives or acting as intermediaries in receiving material assistance can also be considered foreign sources. Additionally, the document introduced a prohibition on foreign agents conducting teaching, educational, and nurturing activities with minors in Russia. They are also forbidden from producing informational content for children and teenagers. Foreign agents cannot receive state financial support and grants, including from the Presidential Grants Foundation. Concurrently, the law prohibits foreign agents from being investors in strategic enterprises, including companies engaged in the production of weapons and military equipment, as well as those operating in the fields of aviation and astronautics, in the exploration and extraction of minerals [1, 7].

As we can see, the legislation on ”foreign agents” has gradually evolved to serve its intended purpose. Anyone can be designated as a ”foreign agent” (and later as an ”undesirable organization” in the case of organizations, but that’s beyond the scope of our current discussion). One can always either identify ”foreign funding” (notably, nothing prevented designating Russian politicians Ilya Yashin and Yevgeny Roizman, Russian sociologist Boris Kagarlitsky, Russian media figure Alexey Venediktov as ”foreign agents”; all of them reside in Russia and their sources of funding are also in Russia) or detect being ”under foreign influence in various forms”. The designation of ”foreign agent” was not limited to political figures and commentators but also extended to cultural personalities: Boris Grebenshchikov, Semyon Slepakov, Maxim Galkin, Dmitry Glukhovsky, and many others.

It should also be noted that the law on foreign agent media has triggered a significant shutdown of media outlets, their migration to alternative platforms, and the departure of

journalists from Russia [8].

## 2 Data

We examined the lists of media outlets designated as foreign agents in 2021 and 2022, sourced from the Ministry of Justice website. Subsequently, using the Medialogy website, we gathered data on citation counts for both the first and second group of outlets. Our comparison specifically targeted those media outlets already designated as foreign agents and those set to be designated in the following year, ensuring we considered similarly situated outlets (those neither receiving nor providing government support).

## 3 Methodology

In our study, we aim to demonstrate that the influence of the foreign agent law has had minimal impact on the citation of media declared as foreign agents. Figure 1 illustrates the number of citations for the media labeled as foreign agents in 2021, across the years 2020, 2021, and 2022. Similarly, Figure 2 shows the citation count for media categorized as foreign agents in 2022, also spanning 2020 to 2022. While there is a noticeable decrease, we further test this decline for its significance.

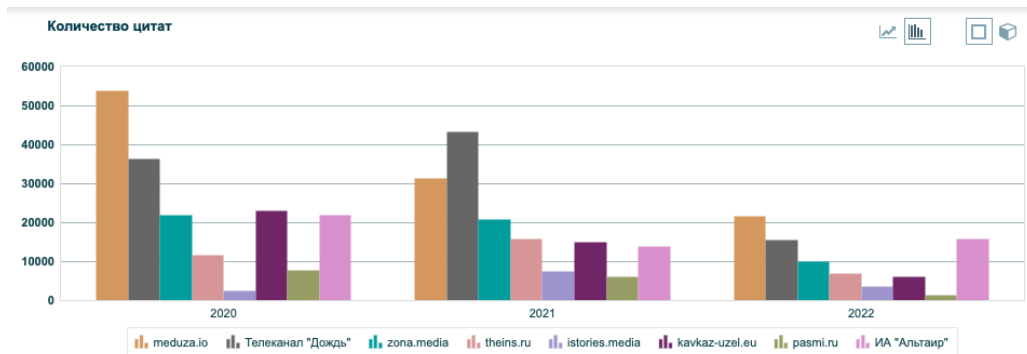


Figure 1: Number of citations of media outlets recognized as foreign agents in 2021. (Data for 2020, 2021, 2022; Source: Medialogia)

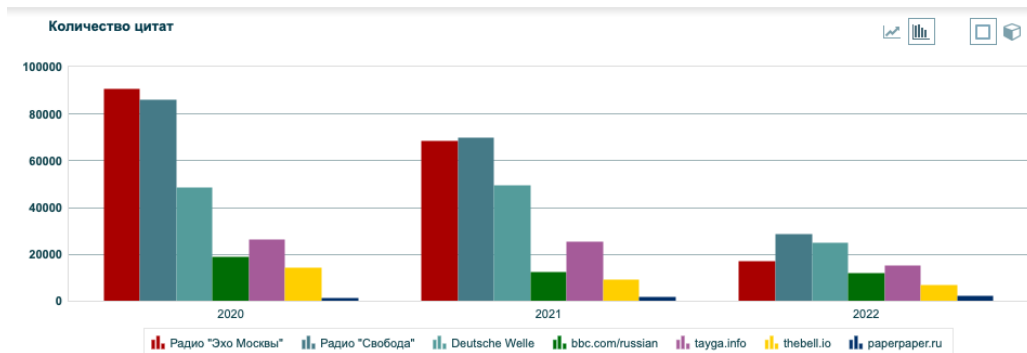


Figure 2: Number of citations of media outlets recognized as foreign agents in 2022. (Data for 2020, 2021, 2022; Source: Medialogia)

We apply the Difference in Differences (DiD) econometric model to assess the impact of the Foreign Agent Law on media citation rates. The dataset comprises two distinct groups:

- Treatment Group: Media outlets affected by the Foreign Agent Law (2021 year).
- Control Group: Media outlets not affected by the law (2022 year).

The period of study is divided into pre- and post-law implementation phases.

### 3.1 Hypothesis Formulation

Our hypotheses are formulated as follows:

**Null Hypothesis ( $H_0$ ):** The introduction of the Foreign Agent Law did not significantly affect the media citation rates.

**Alternative Hypothesis ( $H_1$ ):** The introduction of the Foreign Agent Law led to a decrease in media citation rates.

### 3.2 Econometric Model

The DiD model is specified as:

$$y_{it} = \alpha + \beta \times Post_t \times Treatment_i + \gamma X_{it} + \mu_t + \lambda_i + \epsilon_{it} \quad (1)$$

Where:

- $y_{it}$  is the citation rate of media  $i$  at time  $t$ .
- $Post_t$  is a dummy variable representing the post-law period (0 for pre-law, 1 for post-law).
- $Treatment_i$  is a dummy variable for the treatment group (1 for treated, 0 for control).
- $X_{it}$  includes other control variables such as media size, content type, region, etc.
- $\mu_t$  and  $\lambda_i$  represent time and individual fixed effects, respectively.
- $\epsilon_{it}$  is the error term.
- $\alpha$  and  $\beta$  are the parameters to be estimated;  $\beta$  is the coefficient of interest, indicating the law's effect.

## 4 Results and Interpretation

OLS Regression Results						
Dep. Variable:	citations	R-squared:		0.185		
Model:	OLS	Adj. R-squared:		0.091		
Method:	Least Squares	F-statistic:		1.972		
Date:	Sun, 29 Oct 2023	Prob (F-statistic):		0.143		
Time:	18:29:24	Log-Likelihood:		-342.80		
No. Observations:	30	AIC:		693.6		
Df Residuals:	26	BIC:		699.2		
Df Model:	3					
Covariance Type:	nonrobust					
	coef	std err	t	P> t	[0.025	0.975]
Intercept	4.072e+04	9011.645	4.518	0.000	2.22e+04	5.92e+04
treatment	-1.847e+04	1.23e+04	-1.496	0.147	-4.38e+04	6899.444
post	-7041.5714	1.27e+04	-0.553	0.585	-3.32e+04	1.92e+04
treatment:post	-2149.9286	1.75e+04	-0.123	0.903	-3.8e+04	3.37e+04
Omnibus:		1.936	Durbin-Watson:			1.014
Prob(Omnibus):		0.380	Jarque-Bera (JB):			1.650
Skew:		0.551	Prob(JB):			0.438
Kurtosis:		2.679	Cond. No.			7.08

Figure 3: Results of our OLS estimation

Figure 3 presents the results of an Ordinary Least Squares (OLS) regression analysis examining the effect of the introduction of the Foreign Agent Law on media citation rates.

### 4.1 Model Specifications

Our regression model uses "citations" as the dependent variable. We employed an OLS method for the analysis with a total of 30 observations and 3 degrees of freedom for the model.

### 4.2 Model Fit

The R-squared value of 0.185 suggests that the model accounts for approximately 18.5% of the variance in media citation rates. However, the adjusted R-squared, a more conservative measure, is 0.091, implying that after adjusting for the number of predictors, the model explains only 9.1

### 4.3 Coefficients Analysis

The intercept has a coefficient of 4.072e+04, and its statistical significance ( $p < 0.05$ ) indicates that in the absence of other predictors, the expected citation count stands at 40,720.

The coefficient for the 'treatment' variable, representing the introduction of the Foreign Agent Law, is -1.847e+04. However, its p-value of 0.147 suggests that this effect is not statistically significant at the conventional 5% level. Similarly, the 'post' variable, which indicates the period after the application of the law to media, has a coefficient of -7041.5714, but its high p-value of 0.585 signifies a lack of statistical significance. The interaction term, 'treatment:post', has a coefficient of -2149.9286 and a p-value of 0.903, further underscoring the absence of a significant post-introduction effect of the treatment on citation rates.

## 4.4 Model Significance

The overall F-statistic of the model stands at 0.143, with an associated probability of 0.930. This indicates that the model, as specified, does not provide a statistically significant fit to the data.

Lastly, the Durbin-Watson statistic, at a value close to 2, assures us of the absence of autocorrelation in the residuals.

## 4.5 Conclusion

The analysis suggests that the introduction of the Foreign Agent Law does not exert a statistically significant effect on the citation rates of media outlets. The data does not provide substantial evidence to reject our null hypothesis in favor of the alternative. This can be attributed to several possible reasons.

Firstly, media outlets subject to the foreign agent law tend to be inherently active and highly visible. Being labeled as foreign agents has possibly made them even more conspicuous. Consequently, these organizations might now be working even harder due to reduced advertising revenue [8].

Secondly, there's a notable self-citation trend within the group of opposition media: opposition outlets often cite each other. Therefore, even after some were designated as foreign agents, the internal dynamics within this group largely remained unchanged, which in turn means that the citation frequency also remained relatively stable.

Overall, in the data, we observe a general decline in citation rates. This could be attributed to media outlets transitioning to new platforms, such as Telegram channels, YouTube, and others.

## 5 Potential Implications and Prospects

Enhancing this study could be achieved through several key approaches. Firstly, expanding data sources to include a wider array of platforms such as social media, independent blogs, and non-traditional news outlets is crucial. This would not only provide a more comprehensive understanding of how citation rates are impacted across different media types but also offer a broader view of the media landscape as a whole.

Delving deeper into the content of the articles and reports from these varied outlets is another vital step. Content analysis can uncover shifts in themes, topics, or tones over time within these media sources. Such shifts might directly influence their citation rates, as changes in content can affect both audience engagement and the relevance of the media outlet in public discourse.

Furthermore, adopting an international perspective by conducting a comparative analysis with media in other countries facing similar laws or restrictions would enrich the research. This comparison could unveil patterns and trends that are not just local or national phenomena but part of a global shift in media regulation and its consequences on media citation and operations.

Audience analysis forms another cornerstone of this expanded research. Understanding the demographics, behaviors, and preferences of the audiences of these media outlets can shed light on potential shifts in the target audience. These shifts could, in turn, affect citation rates and the overall impact of the media. Changes in audience size, composition, or engagement could directly correlate with the media's influence and visibility.

Lastly, examining the dynamics of technology and platforms is essential. As media outlets migrate to newer platforms like Telegram and YouTube, understanding the nuances of these platforms becomes critical. The algorithms governing these platforms and the patterns of

user engagement can significantly influence the visibility and sharability of content. This, in turn, can impact how often and how widely these media sources are cited. Understanding these platform-specific dynamics is key to grasping the contemporary media ecosystem's complexities, especially as it evolves rapidly in the digital age.

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